

EXHIBIT 35

CHARLES PHILLIPS April 17, 2009
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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

ORACLE CORPORATION, a)
Delaware corporation, ORACLE)
USA, INC., a Colorado)
corporation, and ORACLE)
INTERNATIONAL CORPORATION, a)
California corporation,)
)
Plaintiffs,)
)
vs.) No. 07-CV-1658 (PJH)
)
SAP AG, a German corporation,)
SAP AMERICA, INC., a Delaware)
corporation, TOMORROWNOW,)
INC., a Texas corporation, and)
DOES 1-50, inclusive,)
)
Defendants.)
)

VIDEOTAPED DEPOSITION OF
CHARLES PHILLIPS

FRIDAY, APRIL 17, 2009

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

REPORTED BY: HOLLY THUMAN, CSR No. 6834, RMR, CRR
(1-418649)

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09:19:14 8 You gave a general understanding of

09:19:17 9 Oracle's allegations in this complaint. Did the

09:19:21 10 activities of TomorrowNow and/or SAP, as you

09:19:25 11 understand them as alleged in this case, did they

09:19:28 12 hurt Oracle?

09:19:29 13 A. Definitely.

09:19:30 14 Q. How?

09:19:31 15 MS. HOUSE: Objection. Overbroad.

09:19:33 16 Go ahead.

09:19:34 17 THE WITNESS: The -- in our business, the

09:19:39 18 major opportunity for growth is not so much

09:19:44 19 acquiring new customers, because there really aren't

09:19:47 20 that many new customers out there. It's a very

09:19:50 21 mature market.

09:19:51 22 So it is very important to get -- if you

09:19:54 23 can get new customers, to keep that customer,

09:19:57 24 actually you can sell them additional product for

09:20:00 25 many years to come, and that's the whole business

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09:20:02 1 model.

09:20:03 2 So if you lose that customer, not only do

09:20:05 3 you lose what they're paying you today, you lose

09:20:07 4 future sales, because people tend to stick with the

09:20:10 5 same product and continue to buy additional modules

09:20:14 6 as they automate more business processes.

09:20:17 7 And so there's -- for every customer we

09:20:21 8 lost, there's ten times that in license revenue that

09:20:25 9 we could have sold over the years as they continue

09:20:27 10 to standardize on our footprint. So those 3- or 400

09:20:33 11 customers represent lost future sales as well.

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09:21:09 25 provider.

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Q. What was Oracle's goal in acquiring

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09:44:52 1 PeopleSoft?
09:44:55 2 A. To achieve scale in our core ERP business.
09:45:00 3 And because it's very hard to compete in a
09:45:05 4 fixed-cost business if someone else has a lot more
09:45:09 5 skill than you do, because they can amortize their
09:45:12 6 costs across more customers, having more customers
09:45:14 7 is kind of the goal, and -- because you can spend
09:45:19 8 more on the products and charge less across a lot of
09:45:21 9 customers.
09:45:21 10 That's the business model. So if they have
09:45:24 11 five times as many customers, they're going to get
09:45:28 12 more revenue and spend more on products.
09:45:30 13 So we had to achieve some scale and close
09:45:34 14 the gap between us and SAP.
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13:41:43 1 THE VIDEO OPERATOR: Okay. This marks the
13:41:44 2 ends of Tape No. 2 in the deposition of Charles
13:41:46 3 Phillips. Going off the record, the time is 1:41.
13:41:50 4 (Recess from 1:41 p.m.)
13:42:02 5 --oo--
13:42:02 6 I declare under penalty of perjury that
13:42:02 7 the foregoing is true and correct. Subscribed at
13:42:02 8 _____, California, this ____ day of
13:42:02 9 _____ 2009.
13:42:02 10
13:42:02 11
13:42:02 12 CHARLES PHILLIPS
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CERTIFICATE OF REPORTER

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I, HOLLY THUMAN, a Certified Shorthand Reporter, hereby certify that the witness in the foregoing deposition was by me duly sworn to tell the truth, the whole truth, and nothing but the truth in the within-entitled cause; that said deposition was taken down in shorthand by me, a disinterested person, at the time and place therein stated, and that the testimony of the said witness was thereafter reduced to typewriting, by computer, under my direction and supervision;

11

That before completion of the deposition, review of the transcript [X] was [] was not requested. If requested, any changes made by the deponent (and provided to the reporter) during the period allowed are appended hereto.

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I further certify that I am not of counsel or attorney for either or any of the parties to the said deposition, nor in any way interested in the event of this cause, and that I am not related to any of the parties thereto.

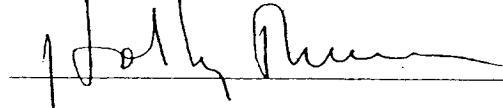
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DATED APRIL 27, 2009

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HOLLY THUMAN, CSR No. 6834